

## Legislation Text

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**File #:** 230108, **Version:** 0

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Authorizing the Procurement Commissioner, on behalf of the City, to enter into a concession agreement with Slice Wireless Solutions, Inc. for the operation, maintenance and expansion of a neutral-host radio, cellular and WiFi system and other wireless services, under certain terms and conditions.

### *THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. The Procurement Commissioner, on behalf of the City of Philadelphia, is hereby authorized to enter into a concession agreement with Slice Wireless Solutions, Inc. for the operation, maintenance, and expansion of the City's neutral-host radio, cellular and WiFi system and other wireless services pursuant to terms substantially as set forth in the term sheet attached hereto as Exhibit "A".

SECTION 2. The City Solicitor shall review and to approve the concession agreement and impose such terms and conditions on it as the City Solicitor may deem necessary and proper to protect the interests of the City of Philadelphia and to carry out the purpose of this Ordinance.

SECTION 3. This Ordinance shall be effective immediately.

### **Exhibit "A"**

#### **Term Sheet**

#### **Airport Neutral-Host Radio, Cellular and WIFI System Concession**

#### **Parties**

The City of Philadelphia, acting through the Procurement Department and the Aviation Department, ("City") and Slice Wireless Solutions, Inc. ("Concessionaire").

#### **Term**

The term of the Agreement, upon City Council approval, will be ten (10) operational years with one five (5) year renewal term, following the Pre-Installation, Installation, and the Pre-Operational Periods, after notice from Concessionaire of the desire to extend the operational term and the City's consent.

#### **Scope of Work/Concessionaire Duties**

Contractor shall design, furnish, install, commission, operate, maintain, and manage a neutral-host distributed antenna system ("DAS"), a cellular and public Wi-Fi system and other wireless services ("Wireless Services") at the Philadelphia International Airport ("PHL"). The scope of work may be expanded during the Term to include the implementation of DAS and Wireless Services at Northeast Philadelphia Airport ("PNE"), PHL's

Cargo City, as well as other applications of the system.

### **Concession Fees**

Concessionaire shall pay for the first five (5) operational years to the City a concession fee equal to the greater of: (i) the amount of One Million Dollars (\$1,000,000) as a minimum annual concession fee; or (ii) sum of: (a) the Carrier Capital Contribution Percentage, which is an amount equal to twenty-five percent (25%) of the total amount charged to cellular service carriers by Concessionaire as capital contribution in connection with the carriers' use of the DAS; (b) fifty percent (50%) of the total monthly recurring Carrier Rents each month during the Operational Period for each calendar year; and (c) thirty percent (30%) of the Gross Revenue from applicable services using the Wi-Fi Network for each calendar year during the Operational Period. For years six (6) to ten (10), the minimum annual concession fee shall be One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) with the other payments and other terms to remain the same.

### **Contractor Commitment/Capital Investment**

Concessionaire shall make a minimum capital investment of \$25 Million Dollars and up to \$39 Million Dollars (based on the completion of Concessionaire's technical assessment of the quality and carrier utilization levels of current equipment onsite) for the initial installation of the DAS and Wireless Services at PHL and/or PNE.

### **City Obligations**

The City shall have no maintenance obligations beyond those specified in the Home Rule Charter or the Department of Aviation's regulations.

### **Ownership of Equipment**

The Concessionaire will own and insure the equipment during the Term. The City will have the sole option to accept ownership of the equipment owned by Concessionaire or require the Concessionaire to remove it upon expiration of the Agreement.

### **Indemnification**

Concessionaire is required to indemnify, defend and hold harmless the City and its officers, employees and agents from and against any and all losses, costs (including, but not limited to, litigation and settlement costs and counsel fees and expenses), claims, suits, actions, damages, liability and expenses, occasioned wholly or in part by Concessionaire's act or omission or negligence or fault or the act or omission or negligence or fault of Concessionaire's agents, subcontractors, independent contractors, suppliers, employees or servants in connection with the agreement, including the attachments and scope of work attached to the agreement, including, but not limited to, those in connection with loss of life, bodily injury, personal injury, damage to property, contamination or adverse effects on the environment, intentional acts, failure to pay any subcontractors and suppliers, any breach of the agreement, the exhibits and scope of work, loss of data, and data security breach. In addition, Concessionaire is required to indemnify and hold harmless the City, its officers, employees, and agents from and against any and all liability, demands, claims, suits, losses, damages, causes of action, fines and judgments (including attorney's fees) resulting from any use or disclosure of such confidential and/or proprietary information of the City as set forth in the confidentiality provisions of the agreement by Concessionaire or any person acquiring such information, directly or indirectly, from the Concessionaire.

## **Insurance and Security for Performance**

The Concessionaire provides insurance consistent with City standards. The City, its officers, employees, and agents, shall be named as additional insureds on the General Liability, Umbrella Liability and Cyber Liability Insurance policies.

The agreement provides that at all times during the term of this agreement and scope of work, the Concessionaire shall maintain and deliver to the City an irrevocable letter of credit or performance bond to provide security for the full and prompt performance by the Concessionaire of the terms and covenants of this agreement and the applicable scope of work. The irrevocable letter of credit or performance bond shall be in an amount, adjusted annually thirty (30) days prior to the anniversary date of this agreement, equal to the greater of twenty-five percent (25%) of the actual amount of payments paid or payable to the City on account of concession fees based on the current anniversary year as set forth in the scope of work or herein. The amount of the letter of credit or performance bond for the first year of this agreement shall be determined based on the Capital Contribution of the concession and the fees set forth in the scope of work.

## **ACDBE Participation**

This contract opportunity was issued under the regulations of the U.S. Department of Transportation (“U.S. DOT”), 40 C.F.R. Parts 23 and 26, as amended. The City and U.S. DOT agree that certified Airport Concession Disadvantaged Business Enterprise(s) (“ACDBE(s)”), as defined in 40 C.F.R. Parts 23 and 26, as amended, will have a fair opportunity to participate in airport concessions contracts including this contract opportunity. The selected Respondent to the RFP, Slice Wireless Solutions, Inc., is a certified ACDBE. Further, the selected Respondent has committed four percent (4%) of the work collectively to be performed by two (2) additional certified ACDBE subcontractors: Illustrated Designs, Inc. will provide graphic design services, printing and installation of signage for the Wi-Fi and DAS program; and NGEN, LLC will provide technical services and support for systems monitoring, maintenance and remediation work for the Wi-Fi and DAS program.